

MARLBORO MILES FOR ADMISSION

1999

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1999 Miles For Admission Program

- **Objective:** Generate news and excitement among YAS - New way to use miles
- **Strategy:** Generate greater YAS participation through broader geographical roll-out. Build greater awareness through word of mouth.
- **Tactic:** Penetrate select markets with increased number of events. Utilize retail.

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1999 Markets

18 Markets

New York
Philadelphia
Detroit
Chicago
Atlanta
Miami
Boston
Minneapolis
Houston

Dallas
San Francisco
Los Angeles
Portland
Seattle
St. Louis
Pittsburgh
New Orleans
San Diego

Timeframe: June - October

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1999 Advertising/Communication

- Alternative ROP
- Direct Mail
- In-Bar promotion
- Retail
- 800 Marlboro number
- Word-of-mouth

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- Goo Goo Dolls
- Big Head Todd
- Soul Asylum
- Sugar Ray
- Son Volt
- Lauryn Hill
- Los Lobos
- Third Eye Blind
- Radiohead
- Natalie Imbruglia
- Paula Cole
- Semisonic
- The Verve
- Korn
- Candlebox
- The Black Crowes

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CURRENT:

- Review Bids with Senior Management
- Award Business
- Generate Contract to Agency
- Meet with Brand and Agency to set program element timelines.
- Produce materials

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ISSUES:

- Coordinate Mile Redemption and schedule with umbrella Marlboro program.
- Insure cost efficiencies with multiple bookings with talent.

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1998 MARLBORO MILES REDEMPTION PROGRAM

18 markets/126 nights

| ITEM | BUDGET | TOTALS | RATIONALE |
|--------------------------------------|-------------|---------------------|---|
| LABOR: | | | |
| Merchandisers | \$141,120 | | 126 events x 10 merchandisers x 14/hr x 8 hrs |
| Tax | \$22,508 | | 15.95% |
| TOTAL LABOR: | | \$163,628 | |
| OPERATING EXPENSES | | | |
| Band Appearance Fees | \$6,300,000 | | \$50,000 x 126 events |
| DJ Appearance Fees | \$252,000 | | \$2,000 x 126 events |
| Catering Fees | \$1,134,000 | | \$18/head x 500 attendees x 126 events |
| Catering Staff | \$220,500 | | includes staff, tables, linens, paper plates |
| Venue Overhead Fees | \$630,000 | | house expenses |
| TOTAL OPER. EXPENSES: | | \$8,536,500 | |
| CORPORATE ADMINISTRATION | | | |
| Phone/Fax/Copies | \$27,342 | | \$217/event x 126 |
| Shipping/Overnights | \$10,458 | | \$83/event x 126 |
| Printing/Misc. | \$10,458 | | \$83/event x 126 |
| TOTAL ADMINISTRATION: | | \$48,258 | |
| EVENT EXECUTIVE TRAVEL | | | |
| Air Fare | \$180,000 | | \$500/flight x 3 x 120 events |
| Hotel | \$79,920 | | \$222/night x 3 x 120 events |
| Rental Cars/Ground Transportation | \$24,000 | | \$200 x 120 events |
| Per diem | \$27,000 | | \$75/day x 3 x 120 events |
| TOTAL EVENT TRAVEL: | | \$310,920 | |
| TOTAL OPERATING BUDGET | | \$9,059,306 | |
| AGENCY MANAGEMENT FEE | | \$1,096,176 | 12.1% |
| TOTAL MILES REDEMPTION BUDGET | | \$10,155,482 | |

Additional:

Promotional CD

Promotional Bar Signage Materials

Stage Signage Materials

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